

Message Text

LIMITED OFFICIAL USE

PAGE 01 ROME 03638 131211Z

53

ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-01 OMB-01 CEA-01 L-02 H-02 PA-01

PRS-01 USIA-06 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00

XMB-02 OPIC-03 LAB-04 SIL-01 IO-10 /093 W

----- 030068

R 131055Z MAR 75

FM AMEMBASSY ROME

TO SECSTATE WASHDC 0012

INFO USMISSION EC BRUSSELS

AMCONSUL MILAN

AMCONSUL NAPLES

USMISSION OECD PARIS

LIMITED OFFICIAL USE ROME 3638

PASS TREASURY AND FRB

E.O. 11652: N/A

TAGS: EFIN, IT

SUBJECT: PRELIMINARY FIGURES FOR ITALY'S 1974 BALANCE OF PAYMENTS

REF: ROME 0663

1. SUMMARY. EMBASSY'S PRELIMINARY ESTIMATE OF ITALY'S "ECONOMIC" BALANCE OF PAYMENTS FOR 1974 (IN MILLIONS OF DOLLARS) SHOWS TRADE DEFICIT OF 7,577, CURRENT ACCOUNT DEFICIT OF 7,717, ADJUSTED CAPITAL ACCOUNT SURPLUS OF 676 AND OVERALL DEFICIT (INCLUDING ERRORS AND OMISSIONS) OF 7,657. MAIN SOURCES OF FINANCING OF DEFICIT, IN ORDER OF IMPORTANCE, WERE EUROMARKET, GERMAN GOLD LOAN, EC CREDIT AND IMF. END SUMMARY.

2. EMBASSY NOW HAS COMPLETE BUT PRELIMINARY BALANCE OF PAYMENTS DATA ON PAYMENTS BASIS FOR 1974, WHICH IS SHOWN

LIMITED OFFICIAL USE

PAGE 02 ROME 03638 131211Z

IN SUMMARY FORM IN TABLE 1 BELOW. EMBASSY HAS ALSO MADE

ROUGH ESTIMATE OF BALANCE OF PAYMENTS ON "ECONOMIC" BASIS, WHICH IS UPDATED VERSION OF FIGURES SHOWN IN REFTEL. IMPORTANT CHANGE IS ASSUMPTION OF 7.5 PERCENT (RATHER THAN 6 PERCENT) ADJUSTMENT IN IMPORTS FROM C.I.F. TO F.O.B. BASIS. THIS IS BASED ON ACTUAL BANK OF ITALY FIGURES FOR FIRST NINE MONTHS OF 1974. DATA IN TABLES BELOW ASSUME THAT NET EUROMARKET BORROWING WAS FINANCING ITEM BELOW-THE-LINE RATHER THAN AUTONOMOUS CAPITAL INFLOW. TABLE 2 SHOWS BREAKDOWN OF FINANCING OF DEFICIT.

3. TABLE 1 - 1974 BALANCE OF PAYMENTS (MILLIONS OF DOLLARS)

	PAYMENTS BASIS	ECONOMIC BASIS
EXPORTS (F.O.B.)	29,140	30,283
IMPORTS	39,196(1)	37,860(1)
TRADE BALANCE	-10,056	-7,577
(OF WHICH: OIL)	N/A	(-7,319)
SERVICES/UNILATERAL TRANS.	-1,065	-140
CURRENT ACCOUNT	-8,991	-7,717
COMMERCIAL CREDIT	-	500
OTHER CAPITAL(2)	1,436	86
CAPITAL ACCOUNT	1,436	676
ERRORS/OMISSIONS	-102	-616
DEFICIT(2)	-7,657	-7,657

N/A - NOT APPLICABLE

1) PAYMENTS DATA C.I.F.; ECONOMIC DATA F.O.B.

2) EUROMARKET TERM LOANS MOVED FROM CAPITAL ACCOUNT TO FINANCING.

4. TABLE 2 - FINANCING OF DEFICIT (MILLIONS OF DOLLARS)

OFFICIAL	7,077
GOLD/FX (- MEANS INCREASE)	-1,006
OTHER OFFICIAL	395
IMF STANDBY	857
IMF OIL FACILITY	826
EC CREDIT	1,885
GERMAN GOLD LOAN	2,000
LIMITED OFFICIAL USE	

LIMITED OFFICIAL USE

PAGE 03 ROME 03638 131211Z

EUROMARKET (NET)	2,120
COMMERCIAL BANKS	580
TOTAL	7,657

5. COMMENT. ABOVE DATA HAVE BEEN TRANSMITTED BY CABLE SO AS TO SAVE TIME IN TRANSMISSION AND FOR BACKGROUND FOR FORECASTING PURPOSES. REGULAR CERP ANALYSIS OF 1974

BALANCE OF PAYMENTS WILL BE REPORTED WHEN FINAL BANK OF
ITALY FIGURES ARE AVAILABLE. VOLPE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DATA, ECONOMIC CONDITIONS, BALANCE OF PAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ROME03638
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750088-0333
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750354/aaaabwif.tel
Line Count: 117
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 ROME 0663
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 16 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 APR 2003 by ShawDG>; APPROVED <17 APR 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRELIMINARY FIGURES FOR ITALY'S 1974 BALANCE OF PAYMENTS
TAGS: EFIN, IT
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006